

August 1, 2019

«Honorific» «First_Name» «Last_Name»
«Organization»
«Street»
«City_State_Zip»

Dear «Salutation» «Last_Name»:

VHDA supported the Commonwealth's effort to bring Amazon's second headquarters (HQ2) to Virginia through a five-year commitment of \$15 million annually in new funding for affordable housing in Northern Virginia. This \$75 million commitment is in addition to the substantial, ongoing housing support that VHDA provides to the region through grants and low-interest financing programs. «Phrase» I would like to update you on our progress.

Following Amazon's selection of National Landing for its HQ2, VHDA established the Northern Virginia Affordable Housing Task Force to provide input into the use of the newly committed funds. The Task Force is comprised of a diverse group of representatives from housing partners in Northern Virginia, including non-profits, developers, homeownership professionals, housing advocates, and local governments, as well as key economic development individuals who have been involved with attracting Amazon to the Commonwealth. The Task Force met three times between March and June of 2019 to discuss regional housing trends and how best to allocate the \$15 million committed in the first year, which began July 1, 2019. The input sessions did not reach a consensus on how best to utilize the funding. Nonetheless, the following themes emerged:

- Address the considerable housing preservation needs within the close-in commuting radius of National Landing
- Prevent displacement resulting from anticipated market pressures on the existing inventory of privately owned, affordable rental units
- Address the housing needs of the lower-income populations most at risk of displacement
- Achieve tangible and meaningful near-term outcomes
- Develop an inventory of affordable rental properties that are at-risk of becoming market rate
- Facilitate the development of effective preservation strategies

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These themes led VHDA to conclude that expediting investments in housing already in the pipeline would most effectively use Year 1 funding to achieve the most immediate results. VHDA has determined that Year 1 funding will be focused on lower-income rental housing in Arlington, Alexandria and Fairfax, those jurisdictions closest to the epicenter of National Landing. These localities have been invited to submit their top rental priorities to VHDA. Funds can be structured as loans, grants, or a combination of the two in order to provide ample flexibility. VHDA has also agreed to fund a preservation study to gather data regarding the at-risk private, affordable rental stock to enable development of a sound preservation investment strategy for future years.

We will continue to work with all of our partners to understand and address the Northern Virginia housing priorities in Years 2-5 of this special funding commitment. In addition, VHDA is looking into ways to share information with the public on what is taking place in the region around affordable housing, specifically as it relates to the Amazon development.

If you have any questions or need further information, please contact me at 804-343-5702 or susan.dewey@vhda.com.

Sincerely,

Susan F. Dewey
Executive Director

cc: The Honorable Clark Mercer, Chief of Staff to the Governor
The Honorable Brian Ball, Secretary of Commerce and Trade